

Most people don't realize that tax cuts are the biggest individual piece of the Recovery Act, giving 95% of Americans – and 2.1 million families in Maryland one of the largest tax cuts in history. As you file your 2009 income taxes, you may qualify for a series of other generous tax cuts – for example, you could save money for attending college, making energy-saving home improvements, purchasing a home for the first time, or buying a new car. I encourage all the residents of the Fifth District to take advantage of these and other tax cuts as they are filing their 2009 taxes over the coming weeks.

Taxpayers can claim a variety of benefits on their 2009 tax returns, including:

- **The Making Work Pay tax credit** – Ninety-five percent of working families are already receiving the Recovery Act's Making Work Pay tax credit of \$400 for an individual or \$800 for married couples filing jointly in their 2009 paychecks – and will continue to see these benefits in 2010. In the Fifth District, 273,000 families are benefiting from the Making Work Pay tax credit.

- **Tax credits for college expenses** – Families and students are eligible for up to \$2,500 in tax savings under the American Opportunity Credit, as well as enhanced benefits under 529 college savings plans, which help families and students pay for college expenses.

- **The First Time Homebuyers tax credit** – First time homebuyers can get a credit of up to \$8,000 for homes purchased by April 30, 2010 under the First Time Homebuyer tax credit. In Maryland, 28,616 households have already taken advantage of the First Time Homebuyers tax credit.

- **Tax credits for energy efficient renovations** – Taxpayers are eligible for up to \$1,500 in tax credits for making energy-efficient improvements to their homes, such as adding insulation and installing energy efficient windows.

- **The vehicle sales tax deduction** – Taxpayers can deduct the state and local sales taxes they paid for new vehicles purchased from Feb. 17, 2009 through Dec. 31, 2009 under the vehicle sales tax deduction.

- **Expanded family tax credits** – Moderate income families with children may be eligible for an increase in the Earned Income Tax Credit and the additional Child Tax Credit.

- **Tax-free unemployment benefits** – Thanks to the Recovery Act, individuals who received unemployment insurance in 2009 do not have to pay taxes on the first \$2,400 of such earnings.

To find out what tax cuts you may qualify for, check the White House online tax calculator by going to www.whitehouse.gov/recovery/tax-saving-tool

When President Obama took office, our economy was in freefall, losing nearly 800,000 jobs a month, cutting into Americans' retirement savings and freezing lending to small businesses. We passed the Recovery Act and were able to save and create more than two million jobs in the first year of a two-year effort. We still have a long way to go to put more Americans back to work, but we are moving in the right direction. And in the meantime, these tax cuts will ease the burden on American families who are struggling to make ends meet.